

AMENDED IN ASSEMBLY MAY 14, 2003
AMENDED IN ASSEMBLY MARCH 19, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

Assembly Constitutional Amendment

No. 7

**Introduced by Assembly Members Dutra and Wolk
(Coauthors: Assembly Members Diaz and Mullin)**

January 14, 2003

Assembly Constitutional Amendment No. 7—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Article XIX C thereto, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

ACA 7, as amended, Dutra. Transportation funding: ~~sales transactions~~ and use tax.

The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of $\frac{2}{3}$ of the voters of the city, county, or special district voting on that tax, and prohibits these entities from imposing an ad valorem tax on real property or a transactions or sales tax on the sale of real property. Existing statutory provisions and provisions in the California Constitution either impose or authorize the imposition of state or local sales *or transactions* and use taxes upon the gross receipts from the sale within the taxing jurisdiction of, or the storage, use, or other consumption in this jurisdiction of, tangible personal property.

This measure would authorize a local transportation agency and a regional transportation agency, as defined, notwithstanding any other

provision of the California Constitution, to impose an additional ~~sales~~ *transactions* and use tax for a period of 20 to 30 years, as specified, at a rate of 0.5% exclusively for transportation purposes within the jurisdiction of the local or regional transportation agency if the additional tax is approved by 55% of the voters of the jurisdiction voting on the proposition to impose the tax.

This measure would require the revenues derived from these taxes to be deposited in the Local Transportation Infrastructure Account, which would be created in the State Transportation Fund. The measure would require the State Board of Equalization to collect and administer the tax revenue. The measure would require moneys in the account that were collected ~~in~~ *for* each local or regional transportation agency, less administrative costs and refunds, to be ~~allocated~~ *transmitted* by the State Board of Equalization to the local or regional transportation agency imposing the tax, and to be used for specified transportation purposes.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

1 *Resolved by the Assembly, the Senate concurring, That the*
2 Legislature of the State of California at its 2003–04 Regular
3 Session commencing on the second day of December 2002,
4 two-thirds of the membership of each house concurring, hereby
5 proposes to the people of the State of California that the
6 Constitution of the State be amended by adding Article XIX C
7 thereto, to read:

8
9 ARTICLE XIX C

10
11 TRANSPORTATION IMPROVEMENT AND
12 MAINTENANCE ACT

13
14 SECTION 1. (a) Notwithstanding Section 4 of Article XIII A,
15 Section 2 of Article XIII C, or any other provision of this
16 Constitution, for the exclusive purpose of funding local and
17 regional transportation planning, research, design, construction,
18 operation, maintenance, and rehabilitation, and environmental
19 mitigation related to the impacts of transportation projects, a local
20 transportation agency or a regional transportation agency may,
21 with the approval of 55 percent of the voters of the jurisdiction



1 voting on the proposition, impose the following ~~sales transactions~~
2 and use tax within its jurisdiction, *pursuant to Part 1.6*
3 *(commencing with Section 7251) of Division 2 of the Revenue and*
4 *Taxation Code, or any successor to that law:*

5 (1) For the privilege of selling tangible personal property at
6 retail, a ~~sales tax~~ *transactions tax imposed pursuant to Section*
7 *7261 of the Revenue and Taxation Code, or any successor to that*
8 *section, upon all retailers at the rate of one-half of 1 percent of the*
9 *gross receipts of any retailer from the sale of all tangible personal*
10 *property sold at retail in this state the jurisdiction.*

11 (2) ~~An excise tax~~ *A use tax imposed pursuant to Section 7262*
12 *of the Revenue and Taxation Code, or any successor to that section,*
13 *upon the storage, use, or other consumption in this state of tangible*
14 *personal property purchased from any retailer for storage, use, or*
15 *other consumption in this state the jurisdiction at the rate of*
16 *one-half of 1 percent of the sales price of the property.*

17 (b) (1) If a transactions and use tax of limited duration,
18 authorized to be imposed by the local or regional transportation
19 agency for transportation purposes, has not been imposed and is
20 not in effect in the jurisdiction of a local or regional transportation
21 agency on the date that a tax described in subdivision (a) is
22 approved by 55 percent of the voters of the jurisdiction voting on
23 the proposition to impose the tax, the tax described in subdivision
24 (a) is imposed for a period of 20 years, commencing with the first
25 calendar quarter that commences more than 90 days after the
26 effective date of the approval of the tax by the voters.

27 (2) If a transactions and use tax ~~of limited duration~~, imposed for
28 transportation purposes by the local or regional transportation
29 agency, is in effect in the jurisdiction of a local or regional
30 transportation agency on the date that a tax described in
31 subdivision (a) is approved by 55 percent of the voters of the
32 jurisdiction voting on the proposition to impose the tax, the tax
33 described in subdivision (a) is imposed for a period of not more
34 than 30 years, commencing with the first day upon which the
35 transactions and use tax then in effect is repealed or otherwise
36 becomes inoperative, *or commencing with the first calendar*
37 *quarter that commences more than 90 days after the effective date*
38 *of the approval of the tax by the voters, whichever is specified in*
39 *the tax ordinance that is adopted by the local or regional*
40 *transportation agency and approved by the voters.*

(3) (A) Except as otherwise provided in paragraphs (1) and (2), the tax described in subdivision (a) shall be imposed in a local or regional transportation agency in addition to any other state or local sales and use tax or transactions and use tax imposed in that jurisdiction in accordance with law.

(B) For purposes of this article, a transactions and use tax imposed for transportation purposes in accordance with this article does not include any portion of a local sales and use tax that is imposed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code), or its successor.

(4) The tax described in subdivision (a) shall be administered in the same manner as the tax imposed pursuant to the ~~Sales and Use Tax Law (Part 1 (commencing with Section 6001) Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)~~ of Division 2 of the Revenue and Taxation Code), or its successor, and shall be subject to any exemption from taxation set forth in that law.

(c) For purposes of this section, “regional transportation agency” means ~~all~~ any of the following, *or a successor*:

(1) The Metropolitan Transportation Commission ~~created by Section 66502 of the Government Code, as that statute read on January 1, 2002.~~

(2) The Los Angeles County Metropolitan Transportation Authority, ~~or any successor to that authority.~~

(3) The Orange County Transportation Authority.

(4) Any transportation entity designated or authorized by statute as a regional transportation agency.

(d) For purposes of this section, “local transportation agency” means both of the following:

(1) (A) The local public entity designated within a county or a city and county, or authorized by statute, whose function is to administer, deliver, or implement a voter-approved transportation sales tax for transportation projects and programs within the boundaries of a county or a city and county, or its successor.

(B) If an entity meeting the criteria of subparagraph (A) does not exist, the designated congestion management agency within a county or a city and county, or its successor, or the county transportation commission, or its successor.

(2) A local council of governments with the authority to administer or deliver a county transportation expenditure plan, or its successor.

(e) The tax described in subdivision (a) shall be collected and administered by the State Board of Equalization, or its successor agency, *pursuant to Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, or any successor to that law*. The revenues derived from that tax shall be deposited in the Local Transportation Infrastructure Account, which is hereby created in the State Transportation Fund. The State Board of Equalization shall ~~allocate~~ *transmit* the moneys in that account no less frequently than on a quarterly basis as follows:

(1) To the State Board of Equalization for its costs of collection and administration.

(2) For the payment of refunds of amounts of tax improperly collected pursuant to this section.

(3) The balance to each local or regional transportation agency of the remaining amount of those tax revenues that were collected with respect to a sale, ~~use, storage~~ *storage, use*, or other consumption of tangible personal property that occurred in the jurisdiction of the local or regional transportation agency imposing the tax.

(f) All revenues received by a local or regional transportation agency pursuant to this section shall be expended exclusively for local and regional transportation planning, research, design, construction, operation, maintenance, and rehabilitation, and for environmental mitigation related to the impacts of transportation projects.

(g) Revenues derived from the tax imposed pursuant to ~~subdivisions (a) and (b)~~ *subdivision (a)* are not General Fund proceeds of taxes within the meaning of Article XVI.

(h) Allocations made from the Local Transportation Infrastructure Account, and the expenditure by a local or regional transportation agency of revenues received from that account, are not “appropriations subject to limitation” within the meaning of Article XIII B.